



The Insolvency & Business Recovery Specialists

**RECEIVERS' SEVENTH REPORT ON THE STATE OF AFFAIRS OF
VIADUCT CAPITAL LIMITED (IN RECEIVERSHIP)
"The Company"**

1. INTRODUCTION

Boris van Delden and Iain McLennan, Insolvency Practitioners, of Auckland, were appointed jointly and severally as receivers and managers of all the assets, property and undertakings of the company on 13 May 2010 by Prince & Partners Trustee Company Limited. Pursuant to section 24 of the Receiverships Act 1993, the receivers report herewith on the progress of the receivership. This report should be read in conjunction with the receivers prior reports. A statement of realisations and distributions is **attached**.

2. EVENTS LEADING TO APPOINTMENT

The appointment arose following a request from the directors to the Trustee to have the company placed into receivership. The directors had assessed that a default under the Trust Deed was about to occur.

3. PROPERTY DISPOSED OF TO DATE

Where possible, we have acted to be more directly involved with the secured assets. We have realised funds from two small securities, however, as most of the loans are likely to rank behind other lenders, we assess that on many of those loans there will be little or no direct recovery given the state of the secured assets and economic conditions.

Debtors have been pursued, most are in liquidation, receivership and we are pursuing disputed amounts, and indemnifiers.

We have concluded the pre receivership GST and income tax/RWT position with the IRD and have received the refunds that the company is entitled to.

We have concluded the restructuring of some loans held in common with one receivership for the benefit of both receiverships and to protect the interests of Viaduct depositors. This is expected to lead to further significant recoveries.

4. PROPOSALS FOR DISPOSAL OF RECEIVERSHIP PROPERTY

Future realisations depend almost entirely on the ability of prior chargeholders to realise their security at a price sufficient to not only repay themselves, but to also produce a surplus. We have concluded pursuing indemnifiers of several loans on which the company has suffered a shortfall on realisation, and we have reached delayed settlement with those indemnifiers which will lead to recoveries being made in the future.

We also continue to pursue lines of recovery to proceeds from security sharing deeds which we say were not valid.

5. AMOUNTS OWING TO SECURED CREDITOR

The secured creditor was Prince & Partners Trustee Company Limited, Level 9, 50 Anzac Ave, Auckland, secured by way of a Trust Deed dated 6 October 2006 and a GSA dated 15 August 2005, which GSA was held in trust for all depositors.

The Trustee however has not been granted a licence by the FMA to act as Trustee. We are working with the FMA and with the former Trustee to appoint a new Trustee. Until that happens, despite not being licensed, the former Trustee remains in place.

There are 17 secured depositors who have advanced funds totalling \$7,835,501.30 as follows:

Pre 20 April 2009	1	\$7,320,046
Post 20 April 2009	16	\$515,455
Total Secured		<u>\$7,835,501</u>

These amounts include any accrued capitalised interest as at the date of receivership.

Approximately 95% by value of the company's investors qualified for repayment under the Crown's Retail Deposit Guarantee Scheme. Accordingly the Crown is now the sole depositor for the funds owed to depositors who invested prior to 20 April 2009.

The Post 20 April 2009 depositors will have funds repaid to them as realisations of loans occur, pari passu with the claims of the Crown under the Retail Deposit Guarantee Scheme.

We estimate that depositors could receive approximately 20 to 27 cents in the dollar however this depends significantly on the recovery of one large loan.

6. PREFERENTIAL CREDITORS

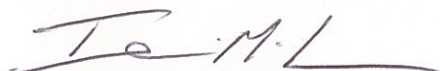
As at the date of receivership preferential creditors for the following:

Resident Withholding Tax (RWT)	\$1,280
Non Resident Withholding Tax (RWT)	\$50
Employee Deductions	\$184
Total Preferential Creditors	<u>\$1,514</u>

7. UNSECURED CREDITORS

To date, we have received unsecured claims totalling \$52,824. We consider it highly unlikely that there will be any distribution to unsecured creditors.

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 Website: www.mvp.co.nz



IAIN McLENNAN
 RECEIVER

DATED this 28 day of May 2013

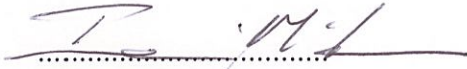
THE RECEIVERSHIPS ACT 1993

NUMBER OF COMPANY : AK 1522758
NAME OF COMPANY : VIADUCT CAPITAL LIMITED (IN RECEIVERSHIP)
PRESENTED BY : McDonald Vague
Insolvency Specialists
P O Box 6092
Wellesley Street PO, AUCKLAND 1141

STATEMENT PURSUANT TO SECTION 24

Statement of Receipts and Payments in the Receivership of the company from 13 May 2010 (being commencement of the Receivership) to 12 May 2013 (being the seventh report of the receivership)

	As Per Statement of Affairs	Cash Received
CASH HAS BEEN RECEIVED AS FOLLOWS:		
	\$	\$
Bank Account	57,526	57,526
Debtors	30,000	3,593
GST	102,055	94,737
Prepayments	4,645	4,932
Security Realisations	2,380,000	112,057
Recovery of Loan costs paid		22,939
Income Tax refund		12,795
RWT refund		14,320
Interest		728
TOTAL RECEIPTS		\$323,627
CASH HAS BEEN PAID AS FOLLOWS:		
Costs Charges & Expenses of Receiver		
Receivers Fees		222,442
Disbursements		1,136
Legal Fees		65,333
Bank Fees		183
Loan related payments		24,955
GST not recoverable		6,215
TOTAL PAYMENTS		\$320,264
TOTAL RECEIPTS		323,627
LESS TOTAL PAYMENTS		320,264
BALANCE HELD		\$3,363
Note: The above figures are GST exclusive.		
REPRESENTED BY:		
ASB Bank Limited – Cheque Account		-5
GST Suspense Account		3,368
		\$3,363



IAIN McLENNAN
RECEIVER

Dated this *23rd* day of May 2013

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